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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/846,025

Filing Date: April 30, 2001

Appellant(s): GINSBERG ET AL.

Mark Miller
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 21 October 2009 appealing from the Office action mailed 24 February 2009.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,277,424

Wilms

01-1994

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

NEW GROUNDS OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 11, 13, 15, 61 & 62 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The method does not meet the machine or transformation test of *In re Bilski*. It appears that the method could be performed by hand & there is no requirement that any specific machine be used. Nor is there any transformation of any substance.

Previous Grounds of Rejection

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 11, 13, 15 & 61-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wilms (US Patent Number 5,277,424).

Claims 11, 13: Wilms teaches a method of real-time interactive wagering on event outcomes – the player may wager in real time on the outcome of a slot machine game. Wilms teaches determining a wagering limit for the client – the number of credits available (16). Wilms teaches selecting wagerable event outcomes on which said client is authorized to wager – each game is a wagerable event outcome and each denomination is a different game. Each event outcome has a minimum required wager associated therewith – the \$1 game has a minimum required wager of \$1. The 25¢ game has a minimum required wager of 25¢. The client is only allowed to select event outcomes that do not exceed the wagering limit. Players may not bet more money than they have in credits. Fig 1 shows displaying the selection of wagerable event outcomes and when the player makes a selection (with button 24), this is receiving a request from the client to wager on one of said selection of wagerable event outcomes. As a player places a wager, it is subtracted from the available credits (i.e., the wagering limit) and placed in the Bet register. This is adjusting substantially immediately said wagering limit of said client.

Wilms does not teach only showing those wagers that cost less than or equal to the wagering limit. Displaying wagers a player cannot make might cause confusion. A player might, for instance, attempt to wager \$1 when he only had 95¢. Removing the \$1 wager from the screen is well within the level of ordinary skill & would yield predictable results. Furthermore, it would reduce the risk of confusion. It would have been obvious to one of ordinary skill at the time of the invention to have modified Wilms to only display those wagers that cost less than or equal to the wagering limit in order to reduce the risk of player confusion.

With respect to claim 13, each time the player plays the game, the credit limit reflects the results of the previous game.

Claim 15: Wilms teaches paying said client in a currency chosen by said client in response to the maturity of successful wager. By placing money into the slot machine, the player is choosing the currency. If the player wins, the machine pays the winnings.

Claim 61: The price of the wager varies – there are five prices to choose from. As noted above, it is obvious to display the list of available wagers based on which the player can actually afford to play.

Claim 62: It is obvious to adjust the list of available wagers whenever any wager is to be made (i.e., in real time).

(10) Response to Argument

Examiner's Summary

This is a simple case that is easy to understand. There are a number of wagers a player can make. These wagers have different prices. A player puts his money into the wagering device & a list of wagers appears. Only those wagers that the player can actually make appear on the list. Thus, if a player inserts \$5, wagers of \$5 or less appear on the list. Wagers costing more than \$5 do not.

Since this is a computer-implemented system, one of ordinary skill in the art would clearly have been familiar with computers and the use of computer software. One of ordinary skill would have been familiar with programs that presented menus of choices in which non-available options were either not listed or “grayed out”. At the time of the invention, this was ubiquitous. In fact it would be virtually impossible to find ANY technologically literate person

in the United States (and possibly the world) who was not familiar with this concept or had not used computer programs that use this procedure at the time of the invention.

Appellant contends that applying this standard practice to yet another piece of software would not have been obvious. Examiner disagrees.

Response to Appellant's Arguments

Single outcome

On Page 10 of Appellant argues that Wilms does not teach a plurality of event outcomes. Examiner disagrees. Wilms clearly teaches a plurality of available outcomes. This is inherent in any gambling situation. If only one outcome is available, then there can be no gambling. Imagine a wagering game in which a two-headed coin was used. This would be a case in which only one outcome was available. And such a wagering game would be impossible.

Wilms teaches that the invention is used to play five-card draw poker. (Col 2, 50)

Clearly, there are more than one possible outcome in a poker game. Thus Wilms teaches “selecting event outcomes on which said client is authorized to wager.”

Appellant is arguing the claims as if they read “selecting from a plurality of events upon whose outcomes the client is authorized to wager.” This argument is not commensurate in scope with the claims.

Furthermore, even if we were to adopt Appellant’s gloss of the claims, it is clear that a reasonable interpretation of the claim in light of the specification would include a single event. If out of the universe of possible events, only one event had an available wager having a minimum required wager not exceeding the wagering limit, then only that single event would be

listed. If the universe of possible events only included one event, then that event would be listed – as long as the minimum required wager did not exceed the wagering limit.

If Appellant amended the claims to explicitly require a plurality of different events, Examiner believes such an amendment might overcome the rejection of record – though Wilms might still form a basis for a rejection of that amended claim.

Minimum Required Wager

Appellant argues that Wilms teaches away from wagers having a minimum required amount. Yet **every** wager has a minimum required amount. It simply could not be a wager without some minimum amount. The minimum bet on the event itself in Wilms is 1¢. Wilms clearly teaches such a minimum bet.

Furthermore, a wager of \$1 on a particular event is different than a wager of \$5 on the same event – they will have different payouts. Wilms teaches several bets that a player can make. Each of these has a required minimum. A player cannot, for instance, make a \$1 bet with 95¢. The minimum dollar bet requires \$1. So either way the claim is interpreted, Wilms teaches the claimed invention.

Displaying list of only selected wagerable outcomes

As stated in the rejection, Wilms does not explicitly teach displaying only the wagers at or below the limit (i.e., the number of credits the player has in the machine). To that extent, Examiner agrees with Appellant.

But as described in the rejection, such a modification would have been obvious to one of ordinary skill in the art. In order to make out a *prima facie* case, Examiner is required to explain why a modification would have been obvious to one of ordinary skill. This explanation can take

into account the knowledge of those of ordinary skill and does not necessarily require a specific teaching. Furthermore, Examiners are encouraged to make obviousness rejections if “common sense” suggests a modification. (See *KSR v. Teleflex*, 550 US 398 (2007).)

Examiner has explained why “common sense” would suggest to one of ordinary skill to modify Wilms to include a list of only those wagers that the player could actually make (i.e., those where the wager was less than or equal to the players number of available credits or “wagering limit”). Thus Examiner has established a *prima facie* case.

Teaches Away

Appellant argues that Wilms teaches away from displaying only available wagers. Examiner disagrees.

Appellant states that Wilms teaches an attract mode. This is true. But since no player is using the machine during the attract mode, what occurs during the attract mode has absolutely nothing to do with the claimed invention. The claimed invention clearly requires interaction with a player and can only work once a player’s wager limit has been established. Since no player is present & no limit has been set during the attract mode, it makes sense for the device to display **all** possible wagers in order to attract players.

Appellant apparently argues that an attract mode could best attract players by being blank. It is difficult to see how a blank screen could attract players or how it could be called an attract mode. However, this point is moot since, as pointed out above, the claims only require displaying the curtailed list **after** a wagering limit has been established.

Appellant’s arguments about Fig 1 are arguments about the attract mode. If there are 0 credits and \$0.00 reserves, then no player is actually playing the machine. Appellant does not

address the case in which a player has credits in the machine, thus establishing the wagering limit as required by the claims. Therefore, Appellant has not shown that Wilms teaches away from the claimed invention.

No evidentiary support

Appellant argues that Examiner has made factual findings with no evidentiary support. Examiner disagrees. As pointed out above, the Supreme Court has encouraged Examiners to use common sense. Examiner has explained why the modification would be common sense. This does not require an evidentiary finding. No reference is required to show that this is common sense.

Appellant argues that there is no evidence that at the time of the invention, one of ordinary skill could have predicted the result of not showing the wagers the player could not afford. Surely, some things do not require evidence because they are self-evident. What is the result of leaving something off of a list? A list without that element. That is self-evident. How could that fail to be predictable – at **any** time?

No motivation

Appellant argues that Examiner has failed to provide evidence that one of ordinary skill at the time of the invention would have been motivated to reduce player confusion. This “argument” makes no sense at all.

Slot machines are popular because they are easy to play. Skilled artisans are motivated to make them as simple as possible in order to attract the unskilled. If a player keeps hitting the \$1 button when he only has 95¢, two things happen – both of which the artisan would know is bad. The player grows more and more frustrated because the machine will not accept his bet. And the

Art Unit: 3714

machine sits idle while the player keeps trying to make a bet that is not available. Even if the player only hits the button once, that slows down the game -- and reduces casino profits. One of ordinary skill in the art – at any time (including at the time of the invention) – would have been motivated to keep this from occurring.

Is there a requirement that the Examiner provide a reference that spells this out? No. One of ordinary skill is not assumed to be an automaton. One of ordinary skill is capable of seeing the logical consequences of different courses of action.

Obviousness statement not in accepted form

This appears to be a rehash of the arguments presented (and answered) above. Appellant seems to be suggesting that since Wilms does not explicitly disclose "displaying to said client a list comprising only said selection of wagerable event outcomes", that this is the end of the inquiry. As set forth above, Examiner contends that he has set forth a *prima facie* case for why such a modification to Wilms would have been obvious at the time of the rejection.

KSR not relevant

Appellant argues that unless references teach all the limits of a claim, KSR does not apply. As argued above, KSR requires Examiners to apply common sense.

Was the modification within the level of ordinary skill at the time of the invention? Clearly, if one of ordinary skill could build a list, one of ordinary skill could leave something off of the list. There is no question that this is within the level of ordinary skill. Would it yield predictable results? The results could not be more predictable – a list without the omitted element. On top of that there is a commercial motivation to make the proposed modification – it would reduce potential confusion.

Even before KSR, Wilms rendered this invention obvious. KSR just strengthens the case for obviousness.

No evidence of motivation

The first part of this argument has been answered above & Examiner will not rehash that answer. Appellant further argues that Appellant's motivation was different than the cited motivation. In response to this argument, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

Long felt need

Basically, Appellant is arguing that if the proposed modification was obvious, someone else would have invented it before. This is not a valid argument.

If Appellant really believes that there was a long felt need, Appellant is encouraged to present proper evidence in the form or an affidavit or declaration.

Claim 13

First, Appellant has **NOT** given a proper argument for separate patentability. A statement that a claim has a different limitation does not constitute a valid argument for separate patentability. Furthermore, it is clear that the modified Wilms would teach the claimed limitation.

Suppose a player starts the game with \$1 in the machine. Wilms (as modified) would display a list of all available denominations. Suppose the player lost 5¢. The player would then have 95¢ as his wagering limit. As explained in connection with claim 11, it would have been

obvious to modify Wilms to show only those wagers that were available to the player at that time. If the player bets and wins so that he now has more than \$1, it would have been obvious to display all available bets so that the player could now make a \$1 bet.

Claim 15

Again, Appellant does not make a valid argument for separate patentability of this claim. However, even if Appellant had made a valid argument, Wilms teaches the claimed invention.

As Appellant admits, Wilms teaches support for multiple currencies on the same machine. The player chooses the currency by inserting that currency into the machine. In other words, if the player puts in pesos, the player chooses to be paid in pesos. If the player inserts dollars, then the player chooses to be paid in American currency.

Claim 61

This is a rehash of claim 13 and is answered above.

Claim 62

Again, Appellant fails to make a valid argument for separate patentability. Furthermore, this is one of those self-evident cases of obviousness. There is a list of available wagers. It is obvious to update the list every time that it is to be used by the player to make a wager (i.e., in real time). Otherwise the list is useless. If the list were not updated, it might contain wagers the player was not allowed to make (leading to potential confusion) or it might not contain wagers that a player was allowed to make (leading to a potential loss of income). Thus it is clearly obvious that the list should be updated as required by changes in the game -- either the wager limit or price of the wager.

(11) Related Proceeding(s) Appendix

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section **(9)** above.

Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) Reopen prosecution. Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) Maintain appeal. Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/Corbett Coburn/
Primary Examiner
AU 3714

Conferees:

/Peter D. Vo/

Supervisory Patent Examiner, Art Unit 3714

/John M Hotaling II/

Primary Examiner, Art Unit 3714

**A Technology Center Director or designee must personally approve the new
ground(s) of rejection set forth in section (9) above by signing below:**

/Robert P Olszewski/

Director, Technology Center 3700